

Talking Points for Schulz Announcement Event January 4, 2010

- Good afternoon. I am pleased to announce that Schulz, a German manufacturer and supplier of pipe components, has selected Tunica County, Mississippi, as the location for its new pipe manufacturing facility.
- The company's new facility will create 500 new jobs over the next 5 years. Job creation is always important, but in this economic climate, it is especially critical. This project will have a great positive impact on the Mississippi Delta and on the state of Mississippi as a whole.
- Schulz is a global leader in the production and supply of stainless steel and alloy steel seamless pipe components. The company supplies pipe products to a variety of industry sectors, including the oil and gas industries, fossil fuel and nuclear power plants, water treatment facilities, and facilities in diverse areas of the chemical industry.
- Schulz has production facilities in Germany and Brazil, and the company maintains 14 offices and distribution facilities in locations around the world. The Tunica County facility will be Schulz's first North American production facility.
- This was a competitive project, and I am proud that this global company chose Mississippi for its North American production needs. Schulz officials have stated that the new Mississippi facility will employ state-of-the-art manufacturing processes, utilizing new technology in this field.
- The company has demonstrated a well-founded confidence in our state's workforce and in our business climate by selecting Mississippi for this facility.
- Schulz is making a sizeable investment in this new facility. In order to assist with this project, I am asking the State Legislature to consider an economic development incentive package.

- In addition, Tunica County is contributing significantly to this project, and the Mississippi Department of Employment Security has set aside funds to provide on-the-job training assistance.
- With me today is Rainer Floeth (*“RYE-ner Flert”*), Managing Director and CFO of Schulz. Rainer, I am glad you could join us today for this important announcement.
- Before I turn the microphone over to you, I would like to take this opportunity to officially welcome you and Schulz to Mississippi. We are excited about your company’s decision, and we look forward to working with you in the future to help your company continue to thrive and grow here.

Additional details that may be helpful to know:

- The 500 jobs Schulz has committed to create will have an average annual salary of \$32,000.
- The company is investing \$300 million in this project.
- Schulz is headquartered in Krefeld, Germany. The company was founded in 1945 and has become an industry leader.
- Mississippi was one of three finalist states competing for this facility.
- The incentive package to be presented to the Legislature will include:
 - o A loan of \$15 million to Tunica County to assist in the construction of the building which will be leased to the company (for a term of no more than 20 years). These funds will be repaid to the State through lease payments from the company.
 - o A loan guarantee of up to \$20 million to Schulz for the purchase of \$60 million of manufacturing equipment. As a condition of the loan guarantee, Schulz will

provide \$15 million towards the purchase of this equipment.

- In addition to the incentive package being presented to the Legislature, MDA will provide off-the-shelf assistance to assist with public infrastructure for this project (\$5.6 million in funding plus a \$4 million CAP Loan to the County.)
- MDES is earmarking \$200,000 for training assistance for the project.